

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **January 28, 2003,**

AGENDA ITEM NO.: **5**

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION:

INFORMATION: **X**

ITEM TITLE: **Discussion of Adelphia Rate Increases and Franchise Renewal Time Frame**

### RECOMMENDATION:

1. The local General Manager for Adelphia will be in attendance to discuss Adelphia's upcoming cable television rate increases and provide City Council the opportunity to ask questions.
2. City staff recommends that the City defer negotiating a new cable television franchise until the outcome of Adelphia's bankruptcy proceedings is known.

### SUMMARY:

1. Adelphia has notified the City that they intend to raise most cable television rates, beginning with the February, 2003 billing. The rates for two popular services will be increasing: Broadcast Service, from \$10.50 to \$11.75 per month (11.9%); and Basic Service, from \$39.95 to \$42.21 per month (5.7%).
2. The current cable television franchise with Adelphia expires in March, 2003. Adelphia's bankruptcy proceedings are expected to continue until June, 2004. Due to the uncertainty of the outcome of the bankruptcy, City staff feels the City should not enter into a new franchise agreement until these uncertainties are resolved. In the interim time frame between the expiration of the current franchise and when a new franchise is negotiated, Adelphia would continue to operate under the terms of the current franchise as a hold-over tenant.

PRIOR ACTION(S): None.

FISCAL IMPACT: None.

CONTACT(S):

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ATTACHMENT(S): None.

REVIEWED BY: lkp